

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Valassis NSA

Docket No. MC2012-14

Docket No. R2012-8

**COMMENTS OF NATIONAL NEWSPAPER ASSOCIATION, INC.
IN RESPONSE TO NOTICE OF INQUIRY NO. 1
(June 27, 2012)**

Pursuant to the Commission's Notice of Inquiry No. 1, National Newspaper Association (NNA) hereby provides information from the newspaper industry on the potential impact of the proposed Negotiated Service Agreement under review in this docket.

NNA distributed two surveys to community newspapers. One was sent to its member newspapers. The other was distributed to a wide newspaper audience through state associations of newspapers. Responses to both surveys indicate that significant potential harm to newspapers exists both among small businesses and larger newspapers.

The filing consists of two Excel spreadsheets and two .pdf documents consisting of screen prints of the survey form used for each. By separate notice, NNA is making application for confidential treatment of the information in the spreadsheets. The .pdf documents are filed for the public record.

Respectfully submitted,

Tonda F. Rush

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NATIONAL NEWSPAPER ASSOCIATION

June 27, 2012

Help Fight USPS Special Deal with Valassis, Inc

The Postal Service is proposing a special deal with advertising aggregator Valassis, Inc., (which includes the former ADVO Systems, Inc.) that is aimed at pulling advertising OUT of newspapers and INTO direct mail.

The deal would give deep discounts to Valassis if it succeeded in adding new pieces to a new mail package from durable and semi-durable goods advertisers. If Valassis brings a million new mail pieces into its package in the succeeding year, its discounts will be in the 20-30 percent range.

Many believe this is blatantly unfair. Newspapers across the country have joined in asking the Postal Regulatory Commission to rule that the deal is illegal. Now PRC is asking for specific information on how newspapers would be harmed.

Should you answer this survey? If you are in a market where Valassis's Red Plum marriage-mail advertising appears, you should seriously consider participating.

If you are not in such a market, you may wish to respond only to question 11 about the Postal Service's plan to compete with newspapers.

Your responses will be shared with the Postal Regulatory Commission. If you would like to have your information provided only in a confidential record, please say so on question 10. In that case, attorneys for Valassis and the Postal Service, as well as other media, will be able to see your responses but they are prohibited from sharing the information with their clients.

Responses must be received by NOON Monday, June 25. Thank you for your prompt attention to this important matter.

If you want to know more about the Valassis/USPS proposal, contact Tonda Rush, tonda@nna.org

1. Does your newspaper operate in a market where Valassis Red Plum/marriage mail advertising appears?

☐ Yes

☐ No

☐ No, but it has been in the market in the past two years

2. This survey is primarily for newspapers that carry pre-printed inserts (either in the newspaper or a TMC/shopper) from durable or semi-durable goods advertisers? A list of nationally-known advertisers who may be eligible for the Valassis discounts appears here. Please check all that are presently in your paper or that have been in the paper over the past 2 years. If you do not see your advertiser on this list, please add any advertisers that might qualify for this category.

Groceries and restaurants/fast food do not count as durable/semi-durable. If your advertiser draws more than half its revenue from groceries or food, it would not be eligible for the Valassis discounts.

If your advertiser is local or regional (with businesses in fewer than 30 states) it would not be eligible for the Valassis discounts. If you are not sure, please list it and we will check it out.

- ☐ Abercrombie & Fitch
- ☐ Ace Hardware
- ☐ Advance Auto Parts
- ☐ AT&T Wireless
- ☐ AutoZone
- ☐ Barnes & Noble
- ☐ Bass Pro
- ☐ Bed Bath & Beyond
- ☐ Best Buy
- ☐ Brooks Brothers
- ☐ Burlington Coat Factory
- ☐ Costco
- ☐ Dick's Sporting Goods
- ☐ Family Dollar
- ☐ Gap
- ☐ H.H. Gregg
- ☐ Home Depot
- ☐ J.C. Penney
- ☐ Jo-Ann Fabrics
- ☐ K-Mart
- ☐ Kohl's
- ☐ Limited Brands

- ☐ Lowe's
- ☐ Macy's
- ☐ Michaels
- ☐ Nordstrom
- ☐ Office Depot
- ☐ O'Reilly Automotive
- ☐ Radio Shack
- ☐ Rite-Aid
- ☐ Sam's Club
- ☐ Sears
- ☐ Sherwin-Williams
- ☐ Sports Authority
- ☐ Staples
- ☐ Target
- ☐ TJX
- ☐ Toys R Us
- ☐ Tractor Supply
- ☐ True Value
- ☐ Verizon Wireless
- ☐ Foot Locker
- ☐ Williams-Sonoma
- ☐ Walgreens
- ☐ WalMart
- ☐ Others?

Other (please specify)

3. If you lost the revenue from the advertisers you checked in Question 2, approximately how much gross annual revenue would it cost your paper?

4. In the past two years, have you moved a newspaper or TMC/shopper INTO the mail?

☐ yes

☐ no

5. In the past two years, have you moved a newspaper or TMC OUT of the mail? If so, please state the primary reason.

☐ Yes

☐ No

Other (please specify)

6. If the Valassis discounts were to take effect for your advertisers named in Question 2, what would be the most likely result?

☐ We would lose the business and it would hurt the company and/or our news coverage

☐ We would keep the business but have to steeply discount the advertising, which would hurt the company and/or our/news coverage

☐ We would keep the business anyway without further discounting

☐ Nothing

☐ Other comments?

Other (please specify)

7. If the Valassis discounts were to take effect, would it have any effect upon your future use of the mail? If so, please describe.

8. Does your newspaper (or your group if group owned) have fewer than 500 employees?

☐ Yes

☐ No

9. If your newspaper were no longer able to serve your community or had to drastically cut costs, what effect would it have on the local news available to your readers?

10. Do you request that NNA file your information with the Postal Regulatory Commission in a confidential file, which would make it unavailable to the public or other companies, but available to attorneys?

☐ Yes

☐ No

☐ Other

Other (please specify)

11. What would best describe your viewpoint about this Valassis/USPS proposal?

☐ It is fair competition

☐ It is unfair competition from the government

☐ It doesn't matter to me

☐ If it helps to save the Postal Service, I would not oppose it.

☐ Other

Other (please specify)

12. Please provide identifying information. It is very important to have this information for the Commission. Anonymous responses will not be used.

Name:

Company:

Address:

Address 2:

City/Town:

State:

ZIP:

Country:

Email Address:

Phone Number:

13. If your paper is part of a corporate group, please provide the corporate name.

14. If you believe a response to these questions or similar questions about your paper was provided by your corporate office, the Newspaper Association of America or any other group, please tell us who commented for you. We will try to avoid duplicate filings.



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Many believe this is blatantly unfair. Newspapers across the country have joined in asking the Postal Regulatory Commission to rule that the deal is illegal. Now PRC is asking for specific information on how newspapers would be harmed. That is why you are getting this request from Newspaper Association of America and National Newspaper Association, provided by your press association.

Should you answer this survey? If you are in a market where Valassis's Red Plum marriage-mail advertising appears, you should seriously consider participating.

If you or others on behalf of your newspaper have separately responded to a request for comments by National Newspaper Association or Newspaper Association of America, please do NOT respond again to this survey. If your corporate office is filing comments directly with the PRC, please do NOT respond to this survey.

But if you are affected and haven't provided information elsewhere, it is very important that we are able to count you. Even if you are not in a Valassis market, you may wish to respond only to question 11 about the Postal Service's plan to compete with newspapers.

Your responses will be shared with the Postal Regulatory Commission.

Responses must be received by NOON Monday, June 25. Thank you for your prompt attention to this important matter.

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- ☐ Burlington Coat Factory
- ☐ Costco
- ☐ Dick's Sporting Goods
- ☐ Family Dollar
- ☐ Gap
- ☐ H.H. Gregg
- ☐ Home Depot
- ☐ J.C. Penney
- ☐ Jo-Ann Fabrics
- ☐ K-Mart
- ☐ Kohl's
- ☐ Limited Brands

- ☐ Lowe's
- ☐ Macy's
- ☐ Michaels
- ☐ Nordstrom
- ☐ Office Depot
- ☐ O'Reilly Automotive
- ☐ Radio Shack
- ☐ Rite-Aid
- ☐ Sam's Club
- ☐ Sears
- ☐ Sherwin-Williams
- ☐ Sports Authority
- ☐ Staples
- ☐ Target
- ☐ TJX
- ☐ Toys R Us
- ☐ Tractor Supply
- ☐ True Value
- ☐ Verizon Wireless
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- ☐ WalMart
- ☐ Others?

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- ☐ It is unfair competition from the government
- ☐ It doesn't matter to me
- ☐ If it helps to save the Postal Service, I would not oppose it.
- ☐ Other

Other (please specify)

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